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October 17, 2003

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re Docket No. 02-215
Ex Parte Presentation

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's *ex parte* rules, this letter is to notify you that on October 16, 2003, Margaret F. Snyder ("Mrs. Snyder") and her attorneys met with the following members of the Commission's Staff:

Ian Dillner	Wireline Competition Bureau ("WCB")
Dennis Johnson	WCB
Jeffrey Tobias	Wireless Telecommunications Bureau ("WTB")
David Krech	International Bureau ("IB")
Wayne T. McKee	Media Bureau ("MB")
William Dever	WCB
JoAnn Lucanik	IB
Ann Bushmiller	Office of General Counsel ("OGC")
Richard Arsenault	WTB
Erin McGrath	WTB
Jeffery Carlisle	WCB
Uzoma Oneyje	WTB

In this meeting the parties discussed the information and arguments in Mrs. Snyder's Petition to Deny as Supplemented and made themselves available to answer questions from the staff members. Mrs. Snyder reemphasized her request that the licenses of WorldCom, Inc. ("WorldCom"), be designated for a revocation hearing, and discussed various remedies that might be fashioned as the Commission considers WorldCom's application.

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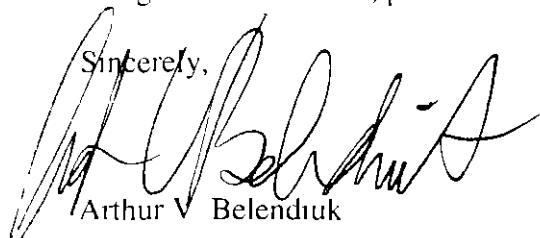
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Ms Marlene H Dortch
October 17, 2003
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Mrs Snyder distributed a copy of a letter and an investment report prepared by UBS Paine Webber, Inc. The report dated June 4, 2001, copy attached hereto, reports on a meeting among members of UBS Paine Webber and WorldCom's CEO Bernie Ebbers and CFO Scott Sullivan. In June 2001, at the very time that WorldCom was filing fraudulent financial reports with the Securities and Exchange Commission and the FCC, Ebbers and Sullivan were telling Mrs Snyder's financial advisors that WorldCom was a safe, solid investment with excellent growth potential. The UBS Paine Webber report glows when it addresses what it believes are the future prospects for WorldCom. UBS Paine Webber, based on its discussions with WorldCom and its review of the publicly available financial information, had every reason to be upbeat about WorldCom's future prospects. Unfortunately, UBS Paine Webber's understanding of WorldCom's current financial position and future prospects was based entirely on lies and material misrepresentations to the SEC and the FCC.

Should any questions arise with regard to this matter, please communicate directly with this office.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arthur V. Belendiuk', written over the word 'Sincerely,'.

Arthur V Belendiuk

Enclosure

cc Qualex International, FCC, Room CY-B402

Private Client Group

PaineWebber Incorporated
107 B West Tennessee Avenue P.O. Box 488
Oak Ridge, TN 37830

PaineWebber

June 13, 2001

Enclosed is the most recent research report from UBS PaineWebber on WorldCom, Inc. Our analyst has indicated a "strong buy" on the stock and we wanted to alert you to the positive developments at the company.

Please take a few minutes to review this information and call us with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott", written in a cursive style.

WorldCom Inc.(WCOM - NASDAQ) - Strong Buy
US Fixed-Line Communications

Price	18.07	Dividend:	Nil	Mkt Cap.	52.5b	Est Debt/TC:	40%
Target	33.00	Yield	Nil	Shrs O/S:	2.9b	ROE:	6%
52 Week	49.19 - 13.88	5yrEGR	18%	Avg Vol(000):	34757	Ent Val:	83.5b
				Est BV/Shr:	16.68	CV Sec:	No
Fiscal Year Quarterly Estimates - EPS				Fiscal Year Estimates - EPS			
	1Q	2Q	3Q	4Q	Prior	EPS	P/E
2000:	0.44 A	0.45 A	0.46 A	0.25 A			
2001:	0.25 E	0.26 E	0.27 E	0.27 E			
2002:							
2003:							
2004:							
					Dec/2000 A:	1.59	11.4
					Dec/2001 E:	1.10	16.9
					Dec/2002 E:	1.35	13.8
					Dec/2003 E:	1.50	12.4
					Dec/2004 E:	1.71	10.6
							Rev (m)
							39090
							40236
							42267
							45129
							48812

WCOM:VISIT WITH WCOM MANAGEMENT:HIGHLIGHTS
Summary:

Following an upbeat visit with WCOM late last week, we remain confident that the company is on the road to recovery with several upcoming positive catalysts not reflected in WCOM shares at very attractive cash P/E levels, notably (1) restructuring into two separate trackers following June 7 shareholder vote, providing greater visibility to the high growth WCOM Group and high dividend generating MCIT tracker; (2) completion of ICIX acquisition for Digex assets in early July 2001 timeframe, which should boost WCOM's web-hosting capabilities; (3) stable 2Q01 report, inclusive of foreign exchange impact, particularly for Embratel; and (4) improving 2H01 with WCOM Group remaining on track likely to achieve its 12%-15% revenue guidance for 2001 based on strategic repositioning.

Highlights:

• Visit with WCOM management provided us with confidence that the company is on track with a number of positive initiatives: restructuring into the two trackers, completion of Intermedia acquisition, and related Digex assets, and improving pricing trends in respective businesses.

• We expect 2Q01 to be a relatively stable quarter with WCOM Group revenue growth closer to 12.3%, similar to 1Q01, rather than a modest ramp, with a more substantial ramp in 2H01. The upcoming quarter continues to be impacted by the foreign currency translations largely for Embratel, which masks improving growth absent which would be in mid-teens range

• We are fine-tuning our 2001 cash EPS estimate by about \$0.03 for higher interest costs due to negative carry of about \$3.1B in higher debt replacing maturities in August and November 2001, based on WCOM's recent debt raising activities.

• We reiterate our Strong Buy rating on WCOM shares trading at 12.1x our 2001 cash EPS estimate, or 14.5x our 2001 WCOM Group cash EPS estimate, not reflecting our expectations for mid-teens growth, improved strategic repositioning.

We see a number of positive catalysts ahead, with WCOM on a road to recovery and better enabled to leverage differentiated global-to-local assets across Tier 1 markets as well as less competitive routes, along with improved managed hosting capabilities to gain inroads into global enterprise customers.

Analysis:

Late last week we had an opportunity to visit with WCOM's CEO Bernie Ebberts and CFO Scott Sullivan who were upbeat regarding the company's strategic repositioning across several fronts. In addressing several key focus areas we remain confident that WCOM is on the road to recovery with several upcoming positive catalysts that should strengthen the company's strategic direction. Among the upcoming positive catalysts we would draw attention to restructuring into dual tracking stocks, completion of Intermedia (ICIX-\$17.40-not rated) acquisition and gaining control over Digex (DIGX-\$18.20-Buy) assets, and 2Q01 report that likely will reflect the company's return to stability, though still weighed down by foreign exchange impacts largely associated with the Brazilian currency on Embratel results which WCOM consolidates in its results and an improving 2001 outlook, particularly 2H01 as strategic initiatives become more visible in results.

RESTRUCTURING INTO DUAL TRACKING STOCKS. WorldCom will likely distribute the tracking stocks shortly after the June 7 shareholder vote, which if restructuring is approved, will result in each existing WCOM share exchanged into one share of WorldCom Group (WCOM), representing the faster-growing Web-based businesses and 1/25 shares of MCIT Group (MCIT-consumer, wholesale businesses). Our Strong Buy rating on WCOM and \$33 price target have been largely driven by WCOM Group, which will encompass the company's enriched global-to-local asset base, tremendous domestic/global geographic reach, scale and mix of business voice, data, Internet and international including its 20% interest and 51% voting control in Embratel which is consolidated in results -- generate double digit revenue growth and stable mid 30's EBITDA margins. We look for 13-15% revenue growth, with a stable 2Q01 report relative to 1Q01 and stronger 2H01 as company likely to achieve guidance of 12%-15% in 2001.

In our conversations with management, we remain confident that WCOM Group remains on track with new strategic initiatives in managed web hosting and global IP VPNs although visibility in results will likely be late in 2001. The company is gaining traction in its recently rolled out comprehensive set of 14 managed web-hosting packages with accelerated time to market to national and major accounts customers with 10-15 day in service guarantees. WCOM is combining its Tier 1 global IP backbone with DIGX's expertise and co-selling managed hosting in commercial agreements ahead of likely July completion of the Intermedia acquisition for control of Digex assets. Once completion of deal with Intermedia, WCOM will be required to sell/dispose of the non Digex-related assets within six months. Because of the recent weakness in CLEC businesses, it is likely that the DOJ will modify its position to allow WorldCom to retain some ICIX assets. None the less, we are not expecting any meaningful proceeds. Under the terms of the deal, WCOM will exchange every share of ICIX with one share of WCOM stock giving ICIX holders a 3.9% premium based on Friday's closing price. Additionally, WCOM will assume roughly \$3.3B in debt and pay \$180M to Digex shareholders.

WCOM GROUP SALESFORCE HEADCOUNT IS ABOVE BUDGET, INDICATIVE OF LOWER TURNOVER, INCREASED DEMAND It is worth noting that WCOM Group's salesforce headcount is above budget for the first time in awhile, having undergone its own transformation over the past 9-12 months, reflective of low turnover, a reversal from last year. We view this news as a positive indicator of increased demand and more favorable pricing trends in the market, with relative stability in respective voice and data services. WCOM experiencing the greatest competitive data pricing pressures in data in the tier 1 markets which account for less than 20% of its data revenues with declines depending on routes. On the other hand there has been evidence of relative price firming in local data, ATM and frame services. WCOM's salesforce appears to have adapted quite well to pricing discipline policies, with little customer churn experienced. As an example of its ability to grow with customers, through a longstanding customer relationship WCOM picked up through its MCI acquisition, WCOM has experienced a 25% CAGR growth since 1987, with recent expansion in the respective customer relationship given WCOM's differentiated network assets that can be accessed in global markets (in this particular instance WCOM had network facilities in Germany).

With respect to capital spending plans for WCOM, with the vast majority coming from WCOM Group, network plans remain on track, with 2001 spending below that of \$9.0B in 2000 to \$8-8.5B in 2001 and 2002 closer to \$7.5B. As a member of TAT-14 a transatlantic cable consortium, owned by British Telecom, Cable & Wireless, Deutsche Telecom, and France Telecom, WCOM reiterated that TAT 14 is progressing well and will be available in the Fall 2001 timeframe with the planned full protected ring.

PRELIMINARY THOUGHTS ON THE MCIT TRACKER. MCIT will reflect the performance of the consumer, wholesale long distance and dial-up Internet access businesses (including the AOL contract). The MCIT tracker will be managed for cash flow generation with \$2.172B in 2001 EBITDA sufficient for free cash flow, after \$500M in capex and roughly \$280M in annual dividends (at a rate of \$2.40 per share). We expect that MCIT revenues will continue to decline in the double digit range as y/y pricing pressures continue (particularly on wholesale side) though signs of relative pricing stability especially on consumer voice services are apparent, reflected by ATT's (T- \$21.49-BUY) announced price increases on Friday. Assuming that MCIT will be priced around \$20-\$24 range and 117M outstanding FD shares, the market cap will be roughly \$2.3B-\$2.8B, enterprise value roughly \$8.3B-\$8.8B trading at about 3.8x-4x our 2001 EBITDA estimate of about \$2.172B and a GAAP P/E in the single digits and a 10-12% dividend yield.

SECOND QUARTER REPORT WILL BE ANOTHER SIGN OF STABLE GROWTH. We look for WCOM Group revenue growth of 12.3%, or about \$214M in incremental revenues, similar to the 1Q01 y/y gain, inclusive of the continued foreign exchange impact associated with WCOM's interest in Embratel consolidated in results being felt on sequential and y/y basis. It is worth reminding investors that WCOM's revenue growth in 1Q01 absorbed about \$190M in forex fluctuations, absent which (we don't normalize for) WCOM Group's revenue growth would have been about 16%.

Additionally, we would like to point out that Embratel represents a substantial portion (54.9%) of international revenues (\$1.658B) and 14.4% of total revenues (\$6.312B) in 2Q01. We therefore expect a slower ramp in revenues than previously in 2Q01, stymied largely by the Embratel impact, which tempers the improved stable outlook for WCOM in 2Q01 and full year 2001. We expect WCOM's revenues to be composed of business voice revenue decline of about 5% y/y, we look for international revenue growth of 16.5%, data growth of 18.4% and Internet revenue growth of 33%. EBITDA margins should remain in the 35% range similar to the 1Q01 level for \$2.2B in EBITDA. We expect WCOM cash EPS of \$0.30, flat with 1Q01, and down 10% from 2Q00 cash EPS of \$0.33.

WE STILL EXPECT A REVENUE RAMP IN 2001, WITH FULL YEAR REVENUE GROWTH LIKELY TO BE IN THE 13.1% VERSUS 13.5% PREVIOUSLY. For conservatism's sake we are modestly fine-tuning our revenue growth estimate to 13.1%, largely impacted by international given that the foreign exchange impact likely to carry throughout year with Embratel's growth in local currency terms growing in solid mid-teens levels with currency translation, bringing growth to mid single digit levels. We do expect that data and IP revenues should improve throughout year, particularly second half based on relative pricing stability in these services with the y/y price erosion felt late in 2000 being less impactful in 2H01, a ramp from WCOM's web hosting initiatives, and the potential contribution from its relationship from Digex producing strong growth, albeit from a small base at this juncture. We are reducing our full year 2001 cash EPS estimate for WCOM by about \$0.03 to \$1.47 from \$1.50 cash EPS with our WCOM Group cash EPS estimate going to \$1.22 from \$1.25, largely to account for negative interest carry owing to WCOM's recent debt raising activities, which replace maturing debt in August and November 2001. The debt offering amounted to \$11.9B in five tranches of (1) \$1.5B 3-year bonds at 6.50%, (2) \$4.0B 10-year bonds at 7.50%, (3) \$4.5B 30-year bonds at 8.25%, (4) 1.25B euro at 6.75%, and (5) 500M sterling at 7.25%. We are also reducing our full year 2002 cash EPS estimate for WCOM to \$1.71 from \$1.74 with our WCOM Group cash EPS estimate going to \$1.42 from \$1.45.

2001E	Revenue	EBITDA	Cash EPS
WCOM	\$40.236B	\$11.201B	\$1.47
WCOM Grp	\$25.733B	\$9.028B	\$1.22
MCI Group	\$14.503B	\$2.172B	\$0.25
Source: Company reports, UBS Warburg LLC estimates			

UBS Warburg LLC and/or one of its affiliates usually makes a market in the securities of WorldCom

UBS Warburg LLC UBS PaineWebber Inc. and/or one of their affiliates has acted as a manager/co-manager or placement agent in underwriting securities of WorldCom or one of its subsidiaries in the past three years

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